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No. 00565

Supreme Court, U.S.
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In The
Supreme Court of the United States

EXPRESS SERVICES, INC.,
Petitioner,

v.

CAREERS EXPRESS STAFFING SERVICES, et al.,
Respondents.

ON PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE THIRD CIRCUIT

PETITIONER'S REPLY BRIEF

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Respondents concede that the Courts of Appeals are divided on the Question Presented. Resp. at 7 (acknowledging "[t]he split among the Circuits as to the effect of the presumptions created by registration"). Indeed, as Respondents correctly note, "each circuit court uses its own set of factors" in evaluating claims of trademark infringement under the Lanham Act, but "[t]his Court has not taken any steps to achieve uniformity among the circuit courts." Resp. at 18-19. This case provides the opportunity to achieve uniformity on one issue, the most fundamental of all: Who bears the burden of proof as to a registered mark's distinctiveness? A firm with a valuable trademark might have to bring hundreds of lawsuits against perceived infringers in order to protect its mark. When the firm has already persuaded the Patent and Trademark Office (PTO) that its mark is sufficiently distinctive to be placed on the Principal Register, must it prove the mark's distinctiveness again and again, in every new infringement suit? Or does the presumption set forth in sections 7(b) and 33(a) of the Lanham Act, 15 U.S.C. §§ 1057(b) and 1115(a), which makes federal registration *prima facie* evidence of a mark's validity, shift the burden of persuasion as to the mark's distinctiveness to the alleged infringer? As we showed in our petition, the Courts of Appeals are split six to three on this question.

Respondents contest only the importance of the Question Presented, both in general and in this case. But Respondents are wrong on both counts.

The issue of a mark's distinctiveness – whether the mark should be classified as generic, descriptive, suggestive, arbitrary, or fanciful – arises twice in every suit for infringement. First, the plaintiff must prove that it holds a protected trademark, but if the mark is not distinctive (i.e., if

it is no more than merely descriptive), it is not a valid trademark, and is therefore not entitled to protection. Respondents state the law incorrectly when they assert that the Lanham Act's presumption of validity for registered trademarks "is not a presumption of distinctiveness." Resp. at 4. Under the Lanham Act, distinctiveness is a prerequisite for validity. If a mark is not distinctive, it is not valid. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768-69 (1992). The presumption of validity therefore *is* a presumption of distinctiveness.

Second, the plaintiff must prove that the defendant's conduct is likely to cause confusion among customers. 15 U.S.C. §§ 1114(1), 1125(a). The distinctiveness of the plaintiff's mark is a crucial element – often the pivotal element – in the multi-factor test used to assess the likelihood of confusion. 3 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 23.19 (4th ed. 1996-2000). The presumption of distinctiveness thus comes into play not just in determining the validity of a plaintiff's registered mark, but also in determining whether there is a likelihood of confusion between the plaintiff's and defendant's marks. *See, e.g., Pizzeria Uno Corp. v. Temple*, 747 F.2d 1522, 1534 (CA4 1984) (invoking the presumption of distinctiveness in determining likelihood of confusion); *Americana Trading Inc. v. Russ Berrie & Co.*, 966 F.2d 1284, 1287 (CA9 1992) (same).

Thus, while the ultimate issue in an infringement suit is whether there is a likelihood of confusion, that determination cannot be made until the trier of fact has twice assessed the critical and often dispositive issue of the mark's distinctiveness. Under the Lanham Act, ***both*** of those assessments must be made with a presumption of the mark's distinctiveness.

Respondents are correct but beside the point when they say that "[v]alidity and likelihood of confusion are distinct issues." Resp. at 14. They are indeed distinct issues, but both turn on a determination of the distinctiveness of the plaintiff's mark. And while the ultimate burden of persuasion as to likelihood of confusion remains with the plaintiff, the allocation of the burden as to distinctiveness can make all the difference.

This case is a perfect example. Respondents find it "unconscionable," Resp. at 20, that we presented no witnesses on the issue of distinctiveness. But we shouldn't have had to: Once we had established by stipulation that our marks were registered with the PTO, Pet. App. at 31a, the burden of persuasion as to distinctiveness should have been on *Respondents*, not us. Contrary to Respondents' insinuation, our position has been consistent throughout this litigation: Having proven our marks' distinctiveness before the PTO when we obtained our registrations, the Lanham Act spares us the burden of re-proving the same fact, over and over and over, in every court that hears an infringement suit.

Had the burden of persuasion as to distinctiveness been properly placed on Respondents, the outcome of this case would almost certainly have been different. After all, as the Third Circuit observed in this very case, classification errors are not harmless "because of the significance classification has in determining ... whether there is a likelihood of confusion." Pet. App. at 5a. And both lower courts acknowledged that the issue of the distinctiveness of Express's marks virtually controlled the likelihood of confusion analysis in this case because when the goods or services sold by the plaintiff and the defendant are in direct competition, "the court need rarely look beyond the mark

itself" to determine whether there is a likelihood of confusion. Pet. App. at 18a, 36a.

But the ultimate outcome on the merits of the case is, of course, of minimal relevance at this stage. The Question Presented is not whether a particular federally registered trademark is distinctive, but how Districts Courts should evaluate claims of distinctiveness generally. This is a fundamental issue of trademark law, an issue that recurs in every lawsuit under the Lanham Act for infringement of contestable registered trademarks. The Courts of Appeals are split six to three. The petition for a writ of certiorari should be granted.

Respectfully submitted,

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